



America's Health
Insurance Plans



**BlueCross BlueShield
Association**

An Association of Independent
Blue Cross and Blue Shield Plans

March 24, 2009

The Honorable Max Baucus
Chairman, Committee on Finance
United States Senate

The Honorable Charles E. Grassley
Ranking Member, Committee on Finance
United States Senate

The Honorable Ted Kennedy
Chairman, HELP Committee
United States Senate

The Honorable Michael Enzi
Ranking Member, HELP Committee
United States Senate

Dear Senators Baucus, Grassley, Kennedy, and Enzi:

The health plan community is united in support of comprehensive health care reform that ensures all Americans have high-quality, affordable health care.

As the nation considers health care reform, we believe all stakeholders must come to the reform table offering solutions and also be willing to explore new ways to achieve shared goals. This is a responsibility that our member health plans take very seriously. Our organizations have offered policy proposals to achieve universal coverage, reduce costs, and improve health care quality.

We believe that policymakers and stakeholders should focus on ensuring that health care reforms we enact today are sustainable well into the future, particularly as the nation faces daunting fiscal challenges.

Sustainability starts with reducing the rate of growth of medical costs. Under current projections, a staggering one-fifth of our economy will be devoted to health care within 10 years. At the same time, mounting evidence shows that spending more on health care generally does not result in better quality care and that many regions of the country with higher spending actually have poorer quality. Therefore, true health reform must be broadly focused on the entire delivery system—prevention, early intervention, and care coordination—in addition to implementing insurance market reforms.

A robust private insurance system is critical to achieving these needed delivery system reforms. Creating a new government-run plan would thwart the ability of the health care sector to implement meaningful delivery system reforms, exacerbate the cost-shift from public programs to consumers and employers in the private market, and destabilize the employer-based system. In fact, studies show that more than 100 million people who currently have private coverage would move to the new government-run plan.

Government safety-net programs do have a vital role to play in achieving universal coverage. Under our reform proposals, every uninsured American living in poverty would be eligible for Medicaid. Our organizations also strongly supported the expansion of the children's health insurance program.